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- GENERAL

1. Possible Chinese Communist intervention in Korea--US
Embassy London transmits a report from the UK Foreign
Office that Chinese Communist Foreign Minister Chou Enlai called in Indian Ambassador Panikkar in Peiping on
3. October and informed him that if UN armed forces crossed
the 38th Parallel, China would send troops across the frontier
to participate in the defense of North Korea. Chou En-lai reportedly added that this action would not be taken if only South
Korean forces crossed the Parallel.

(CIA Comment: The Chinese Communists have long had the capability for military intervention in Korea on a scale sufficient to materially affect the course of events in Korea, and they now are supporting Soviet efforts to intimidate and divide the US and its UN allies over the issue of crossing the 38th Parallel. CIA estimates, however, that the Chinese Communists would not consider it in their interests to intervene openly in Korea if, as now seems likely, they anticipate that war with the UN nations would result.

The "reliability and accuracy" of the source of this report are open to question. It is also entirely possible that he is being used by the Chinese Communists to plant this information in an effort to influence US and UK policy.)

EUROPE

2 GERMANY: Schumacher's views on defense role—US High Commissioner McCloy in Bonn has been informed by West German Socialist leader Schumacher that he believes the Germans would consider sharing in the defense of their country only after being firmly convinced by a sizeable increase in US forces in Germany that there is a real chance

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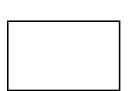
to defend West Germany "as far east as possible." (The cooperation of the Socialist Party will be essential to West German participation in any West European defense system.) Schumacher visualizes German participation in the form of a mobile force for which he thinks the Germans are traditionally and psychologically best equipped. In regard to the projected West German police force, Schumacher felt it was of the "utmost importance" for the police to be strictly separated from the military. After a discussion of the police proposal with McCloy, Schumacher expressed the opinion that the police plan was "workable."

3. YUGOSLAVIA: Tito-Kremlin relations unchanged—US Ambassador Allen in Belgrade reports that although there are indications the USSR is adopting a "milder tone" in various countries, he has seen no evidence of any shift in the Soviet attitude toward Tito. The Ambassador doubts that the rumored "secret meetings" between Yugoslav and Soviet representatives have taken place. Allen concludes that although Marxists both in and out of the Cominform might like to be reunited, he does not believe Tito or any responsible member of his regime would either take the initiative toward a rapprochement or listen to any overtures from Moscow with anything but the greatest of skepticism.

(CIA Comment: CIA concurs with Ambassador Allen's estimate.)

NEAR EAST-AFRICA

4. Afghans penetrate Pakistani territory--US Embassy Karachi has been told by the Pakistani Foreign Secretary that 500 Afghan tribesmen and army regulars penetrated Pakistani territory near Domandai, Baluchistan, during the night of



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30 September-1 October. The Embassy reports that the Pakistani military commander in that area has orders to expel the invaders but not to pursue them across the Afghan border, and that Pakistani air reconnaissance is on the lookout for other troop concentrations or movements.

(CIA Comment: This incident is indicative of the strained relations existing between Afghanistan and Pakistan, largely as a result of Afghan provocation. Pakistan should have little difficulty in expelling the invaders and no serious trouble is likely to arise from this incident.)

FAR EAST

- 5. INDOCHINA: International force proposed for Indochina—
 The Commanding General of French forces in North Vietnam, General Alessandri, has informed US Consulate Hanoi of his personal hope that a UN international force, such as that in Korea, may be made available for use against the Viet Minh in Indochina. Alessandri admitted that Korea was "politically different," but said that Chinese Communist assistance to the Viet Minh paralleled the Korean situation. He added that ten additional battalions in North Vietnam would allow him to "thumb his nose" at the Viet Minh but that, without these additional troops, he must keep his own main force in the delta area and risk the possibility that the increasingly strong insurgents may "spill across the Red River" into the region of Annam and the associated state of Laos.
- 6. INDONESIA: Government attacks Ambon insurgents—The US representative on the UN Commission for Indonesia (UNCI) reports an abandonment of Indonesian efforts to achieve a peaceful

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solution to the Ambon uprising. Indonesian troops reportedly attacked Ambon on 29 September and landed additional forces on 1 and 2 October. Although Indonesian Government officials have not confirmed the attack, Foreign Minister Rum has told US Ambassador Cochran that military action against Ambon had been recommended. Rum, in an effort to explain his government's rejection of UNCI good offices in settlement of the insurrection, expressed the opinion that involvement of a United Nations group in the dispute would "encourage" the "rebellious parties" and "could even do unpredictable harm."